

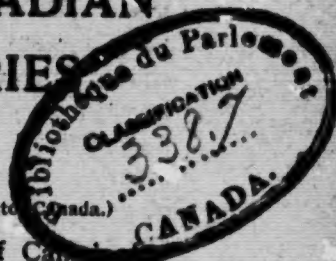
PLEA FOR THE CANADIAN TEXTILE INDUSTRIES

(Reprinted from the Canadian Textile Journal, Toronto, Canada.)

In making an appeal to the people of Canada for the rescue of our textile industries let us ask ourselves two questions: First, are the Canadian textile industries worth rescuing for their own sakes? and second, are they necessary in building up our manufactures to that stage where we shall be self-sustaining, as far as the primary needs of the people are concerned?

We may approach the second question by asserting that, next to food itself, clothing and fuel are the prime necessities of the people, and in a climate such as that of Canada, it is a question whether clothing is not more vital than fuel. Taking it for granted that the people of Canada approve of the policy of imposing duties on imported goods for the purpose of encouraging home manufactures, as well as for raising revenue, we affirm that, textile fabrics being the most essential of our manufactured necessities, it should be the purpose of the tariff to secure the development of the home industry to such an extent as to supply the main needs of the people. In case of a war involving Canada by which our supplies should be cut off our people would be brought to distress indescribable if textile fabrics could not be manufactured in the country to meet the rigors of winter. Is it wise to say that such a contingency is unlikely? Whoever would put this country to such a hazard should read the history of the great wars of the past two thousand years and note how unprepared one or both parties to the conflict have so often been, and especially how unprepared have been the innocent third nations, who may be overrun by the nations in conflict. Witness the very last great war--the Russo-Japanese conflict and its effect on Corea and Manchuria--unexpected in its beginning as unlooked for in its close and after consequences. Even if war should never devastate this country, we have still to consider that perpetual

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industrial conflict scarcely less strenuous than war, and the nation that cannot maintain its own independence in the actual necessities of life is in a position of subservience. As the Canadian people look forward to the time now approaching when it shall be industrially self-contained and self-dependent, whether in peace or war, it is essential that it should produce its own textile fabrics, at least such fabrics as are needed to maintain its people in bodily comfort, and not fabrics of mere luxury. Seeing, indeed, what issues hang on clothing in a climate of such extremes as we have, Canada can no more become a manufacturing nation without well-developed textile industries than a man can labor effectively without arms. For the reasons before stated the woolen and knitted goods branches of these trades are of prime importance.

Having shown the necessity of home textile manufactures to Canada, the question has to be answered, "Are the textile industries of Canada worth rescuing?" The word rescue implies that the thing referred to is in danger. The fact that the woolen mills of Canada, many of them equipped with machinery of the most modern kind, have in the last nine years steadily diminished in number and manufacturing capacity, at a time when every other department of manufacturing has advanced with the general expansion of trade and the growth of population, is proof that the woolen and allied textile trades are in danger, and that our industries have, in consequence lost their former balance. This proof is fully set forth in a bulletin recently issued by the "Canadian Textile Journal," in which it is shown that whereas in 1885 there were in Canada 240 woolen mills operating 515 sets of cards, 1,085 looms and 107,870 spindles, these had increased in 1899 to 270 mills having 624 sets of cards, 2,645 looms and 194,086 spindles. In 1908, however, the number of mills in actual operation were only 197, with 521 sets of cards, 1,706 looms and 167,546 spindles—a remarkable decline where every other leading industry has gone ahead with strides in keeping with the general prosperity of the country.

This is all the more lamentable when it is remembered that woolen fabrics have been an important feature of home manufactures since the first colonization of Canada, and that Canadian goods have in all periods of our past history shown a better average of wearing

quality than any other, while in recent years our manufacturers have made such progress in the style, finish and appearance of their goods that a large proportion of Canadian cloths of the finer class are sold to the consumer as imported goods.

The British preferential tariff falls very inequitably upon the Canadian woolen manufacturer, to the damage of the interests of the Canadian consumer, because of the high skill obtained by Yorkshire manufacturers in the production of cheap goods in which shoddy, cotton and other substitutes of wool are used. The higher rate of wages in Canada, the difference in the cost of mill equipment, difference in rents, interest, etc., are elements in the case.

The "Canadian Textile Journal" has pointed out that while the average cost of ready-made clothing has remained as high as before the preferential tariff came into force, the wearing qualities of the cheaper grades of ready-made suits have distinctly fallen off as a consequence of the displacement of Canadian cloth from these goods. Thus the individual consumer is worse off by receiving poorer value in goods, the industrial community is worse off by the loss of profitable investment in a line of manufacturing which gave skilled labor reliable and fixed employment, and the farming and mercantile community is worse off by the loss of not only a good home market for wool, but a still better home market for produce sold to the community of mill hands, who gave to the town or village so large a part of its purchasing power.

In showing that, to a country desiring to be self-contained, a well-developed textile industry is a prime necessity, we have proved that these manufacturers are worth rescuing from the standpoint of national policy. We shall show that they are also worth rescuing from the financial and labor interests involved. According to the interim census taken for 1905 by the Census Bureau at Ottawa the number of textile manufacturing establishments, including clothing, ladies' wear (both factory and custom) and hat, cap and fur factories, was 1,432, employing a total capital of \$73,758,622, wage-earners to the number of 55,822, paying wages for factory labor to the amount of \$17,257,210 and producing goods to the annual value of \$84,370,099. Those receiving fixed salaries were not included in these figures. In this table woolen mills, knitting mills and carpet and rug fac-

4

tories were credited with a capital of \$15,039,240, with annual wages (not including salaried employees) of \$2,770,201, while the 9,571 hands employed produced goods to the annual value of \$13,517,532. This special census was taken by the census officers by correspondence through the mails. That they do not represent the actual facts of these industries will be evident when it is stated that the return gives the number of carpet factories as 5, whereas there were 14, and the hosiery and knit goods mills 58, whereas there were 120 enumerated in the Canadian Textile Directory. The annual value of products may be over-estimated in the official return. That the products of Canadian mills, which give better wear, have been displaced to a disastrous extent by imported goods is seen not only from the statistics of woolen mills previously quoted, but by the figures of imports. The imports of woolen fabrics and fabrics partly of wool have risen from \$12,623,000 in 1902 to over \$20,000,000 in 1907. If the goods thus displaced had been made in Canada their manufacture would have called for an investment of \$10,000,000 in fresh capital, employing 9,000 people, and paying wages of \$5,000,000 a year; to say nothing of the industries more or less related to these, or the increase in the home market for produce, wool, etc., by which the farmers and merchants would have benefited.

Making fair allowance for the value of those special fabrics which cannot now be produced in the country, it will be evident from the foregoing facts that the home textile industries, especially in the department of woolen woven and knit goods, are not only worth restoring and developing, but they are essential to the economic independence of the country.

To show what these industries might be, in contrast to what they actually are, let us look at what the United States has accomplished by giving effective protection to its textile trades. The United States imposes both specific and ad valorem duties on textiles; that is, so much per pound or per yard on cloths and so much per dozen on knitted goods, in addition to the duty put on the goods according to their value. These duties range from 75 per cent. to 125 per cent. on the actual value of the goods. The result is that the United States knitting mills manufacture goods to the annual value of \$138,000,000, the woolen and worsted mills to the value of \$517,000,000, the cotton mills to the value of

\$339,000,000. Because of this protection the United States now only imports woolen goods to the extent of twenty-seven cents per head of population against \$3.33 per head of population imported by Canada. This means that if protection as effectual as in the United States were given to Canadian woolen manufactures employment would be given to 12,800 extra hands. As modern industry is now organized each mill operative represents seven inhabitants, so that the population of Canada would be increased about 90,000 from the woolen mills alone, not to speak of the knitting mills, carpet mills, cotton mills and other textile mills. If the conditions were reversed and the United States was importing and manufacturing woolen goods at the ratio now ruling in Canada, that country would give employment to 198,000 less operatives (representing a population of nearly 1,400,000) whose earning power is \$67,000,000 a year. To state the case in another form, if the United States had our tariff, with like results, it would now be importing \$262,650,000 of woolen goods, whereas it is importing about \$22,500,000. It is difficult to estimate the amount of employment and the capital required and wages earned in industries related to, and more or less dependent on, these mills. The effect on the farming interests alone is of vast importance. One illustration will be suggestive: The wool clip of the State of Montana alone is from 35,000,000 to 40,000,000 pounds, every pound consumed by American mills, whereas the neighboring Province of Alberta, with greater area and better natural advantages for raising the same breed of sheep, only grows 400,000 pounds, and even of such a small total there is a large surplus from last year's clip lying unconsumed in the warehouses of Ontario, because of the condition of the industry. If the Canadian woolen industries had been developed to the same extent as the United States in proportion to population the wool clip of Alberta would be over 3,000,000 pounds, and the price higher than it is to-day. But the relation of the textile trades to the farming community and the merchants will be further discussed at another time.

In summarizing the results of the United States census of 1905 Edward Stanwood, the Government expert, says: "In some respects the textile industry, considered as a whole, is the most important branch of manufacture carried on in this country. It provides the

material for substantially the entire clothing of the people, except their leather footwear, the hats and bonnets of women and the summer straw hats of the men. . . . Moreover, it supplies articles of household use, such as carpets, toweling and bed coverings. In the grouping of industries by the Census Bureau, 'textiles' ranks third, according to the value of products, the group of 'food and kindred products' being first, and 'iron and steel and their products,' second. But when the manufacture of clothing is taken into account the class so formed rivals the group of iron and its products; and in the number of wage-earners the textile and allied industries are far in excess of any other group. They reported the impressive number of 1,156,305, which is but a little below the number employed in the 'food and their products' and 'iron and steel and their products' combined."

The expert adds this significant comment: "The extent to which an industry gives employment and the amount which it pays in wages is a better test of its importance than the capital it requires, the cost of materials, the value of products, or even than the added value by the process of manufacture." The expert then gives figures to show that in woolen, worsted, cotton, and silk manufactures, taking into consideration only the production of cloth and yarn for further manufacture [that is, into clothing and other fabrics], the industry gives employment to twice the number engaged in producing iron and steel for further manufacture.

The summary of the census of 1905 shows that United States textile manufacturers employed capital to the amount of \$1,343,324,605, and produced goods to the annual value of \$1,215,236,792. Of these, the capital invested in woollens, worsteds, and knitted goods was over \$477,000,000, and the annual value of product over \$517,000,000, there being an army of over 290,000 hands employed in these branches alone. Under the United States system of protection by specific duties the capital employed there in textiles was nearly doubled since 1890. Contrast these with the record of decline in Canada since 1899.

In reflecting on all these facts let us bear in mind that the manufacture of textiles is one of the most ancient and heretofore most stable in Canada. It has made headway, although from the first colonization of Canada by the French down to the close of the eighteenth

century it was the policy of home Governments to regard colonies as existing for the benefit of the manufacturers of the Mother Country, and colonial manufacturing was prohibited as far as possible in order that factory owners at home might grow richer and maintain their prices. But these exactions in prices, combined with the extortions of the colonial companies, to whom the trade was farmed out by the administrators, drove the French-Canadians first into smuggling and then into making cloth for themselves, in some cases with the consent of the French authorities, in other cases in spite of them. The Intendant Talon, for one, realized that the planting of domestic industries was for the benefit of the colonists, and in times of need would even be a relief to the Government at home; and in 1671 he wrote that he had caused druggets, coarse camlet, bolting-cloth, serge, woolen cloth and leather to be made in the colony, adding: "I have of Canadian make wherewithal to clothe myself from head to foot." The Ursuline Nuns willingly assisted in this policy, and taught the girls of the colony to spin and weave at their schools, and as these girls went out into the world as wives of farmers and hunters they carried their knowledge of the art all over the country. Thus the spinning-wheel and hand-loom were a part of the equipment of every home. As a complement to this home industry the raising of sheep and the growing of flax and hemp began and extended, as is seen by the records of the census of 1671 and subsequent periods.

The textile industries thrived all along through the long period in which they were carried on as a household occupation, and it continued to thrive during the transition to machine-made goods. There were at the census of 1851 several hundred carding, fulling, spinning and weaving establishments, on the "custom" plan, in the four Provinces which later on formed the Dominion of Canada; while in the same year over 6,500,000 yards of home-made cloth and flannel were produced in the homes of the people of these four Provinces.

No better woollens were ever made than those made in Canadian mills, and largely from Canadian wool, and the golden age of woolen and knit goods manufacturing in Canada was in that period when wholesale and retail dealers and merchant tailors united to commend these honest fabrics. But there came a time when the craving for a multiplicity of patterns and styles and the desire to make the greater profits which could be had on many

lines of imported goods proved a temptation to a large section of the dealers and tailors to cry down Canadian goods and cry up imported goods. This, with the introduction of the preferential tariff, with its inequitable bearing on the woolen branches, has brought the Canadian woolen mills to the condition they are now in. The case of the woolen mills to-day will be the case of the knit goods and other branches of textiles to-morrow, and we come back to the question suggested in the beginning: Shall these, the most essential of all the industries that make for the economic independence of the country, be sacrificed, or shall the Canadian nation resign itself to going through life, as it were, on one leg?

It is the contention of the "Canadian Textile Journal" that the transfer of the woolen industry from Canada to England is not a sacrifice to the cause of Imperial unity, but merely a gift to a few manufacturers of Yorkshire. Instead of putting our industrial machinery out of balance by this means, Canada should make sure that it will be able, as the Intendant Talon did and as the United States now does, to have "where-withal to clothe itself from head to foot" in any crisis; and the Canadian people should make a good contribution for Imperial defence to the British Government direct, and not load rich gifts upon a few Yorkshire manufacturers to the destruction of millions of capital invested in the same business in Canada. The preferential idea is a generous conception, but in its application it was surely never designed to cut the throat of a home industry so essential to Canadian national development as textiles.

Give our woolen and knitting mills the security afforded by the old specific duties so as to protect the capital invested, and they will guarantee that the Canadian consumer will pay no more for his clothing, and yet will be provided with a better article and in every variety of patterns desired, while the farmer and merchant will have the advantage of the home market created by a great industry, giving employment to more hands in proportion to capital invested than any other business.

The position of the knit goods industry and other branches of textiles, and the relation of the whole group of textile manufactures to the farming and mercantile community will be dealt with in other issues.